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STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

October 14, 2010

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

OAHU

Request for Extension of Notice of Default, General Lease No. S-5376, Shawn C. Kadooka and Dominic K. Kadooka, Lessee, Waimanalo, Koolaupoko, Oahu, Tax Map Key: (1) 4-1-008:079

APPLICANT:

Shawn C. Kadooka and Dominic K. Kadooka (Lessee)

LEGAL AUTHORITY:

Section 171-20, Hawaii Revised Statutes, as amended.

LOCATION AND AREA:

Portion of Government lands situated at Waimanalo, Koolaupoko, Oahu, identified by Tax Map Key: (1) 4-1-008:079, consisting of approximately 52.022 acres, as shown on the attached map labeled Exhibit A.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_\_ NO  
  X  

CHARACTER OF USE:

Diversified agriculture and residential purposes

TERM OF LEASE:

35 years, commencing on 12/01/1994 and expiring on 11/30/2029.

ANNUAL RENTAL:

\$20,290, due in semi-annual payments.

REMARKS:

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 11, 1980 and the breach provision contained in General Lease S-5376, the Lessee, was served a Notice of Default (NOD) dated July 1, 2009 for failure to keep current the rent payment for the period of June 1, 2009 to November 30, 2009. The amount owed was \$10,145 i.e. 6-month rent. On October 9, 2009, Lessee wrote to the department and asked for an extension to pay the rent owed until November 2009. Lessee paid \$10,000 in early December 2009, which is \$145 short of the total amount owed.

On February 26, 2010, the Lessee was served with another NOD for failure to keep the rent current. The amount owed is \$10,712.50 including the semi-annual rent for December 2009 to May 2010 and the late fees accumulated since the last payment in December 2009. Said NOD was signed receipt on March 11, 2010, which expired on April 10, 2010.

Around July 2010, the Department received two payments amounted to \$10,145 from the Lessee. A few weeks later, staff was informed the check of \$10,000 bounced for no sufficient fund. The Lessee was approached and asked to have the replacement payment in cash or cashier order.

By the letter dated August 30, 2010, attached as Exhibit B, the Lessee explains the problems that occurred on the farm, including the mandatory water cut back due to the drought condition, and wild pigs destroying the crops. The Lessee requests an extension of the cure period of the NOD up to November 30, 2010, which will allow the Lessee settle the rent owed to the State.

Staff visited the premises and note that the Lessee is actively farming in the fields. There is no other compliance issue, except the rent. In addition, in late 2009, the Lessee was able to keep its promise by settling the rent owed. Staff has no objection to the request.

RECOMMENDATION: That the Board:

1. Authorize the extension of the cure period of the Notice of Default dated February 26, 2010 from April 10, 2010 to November 30, 2010;
2. Authorize the Chairperson further extend the cure period of the Notice of Default beyond April 30, 2004 for good cause; and

October 14, 2010

3. Such other terms and conditions as prescribed by the Chairperson to best serve the interest of the State.

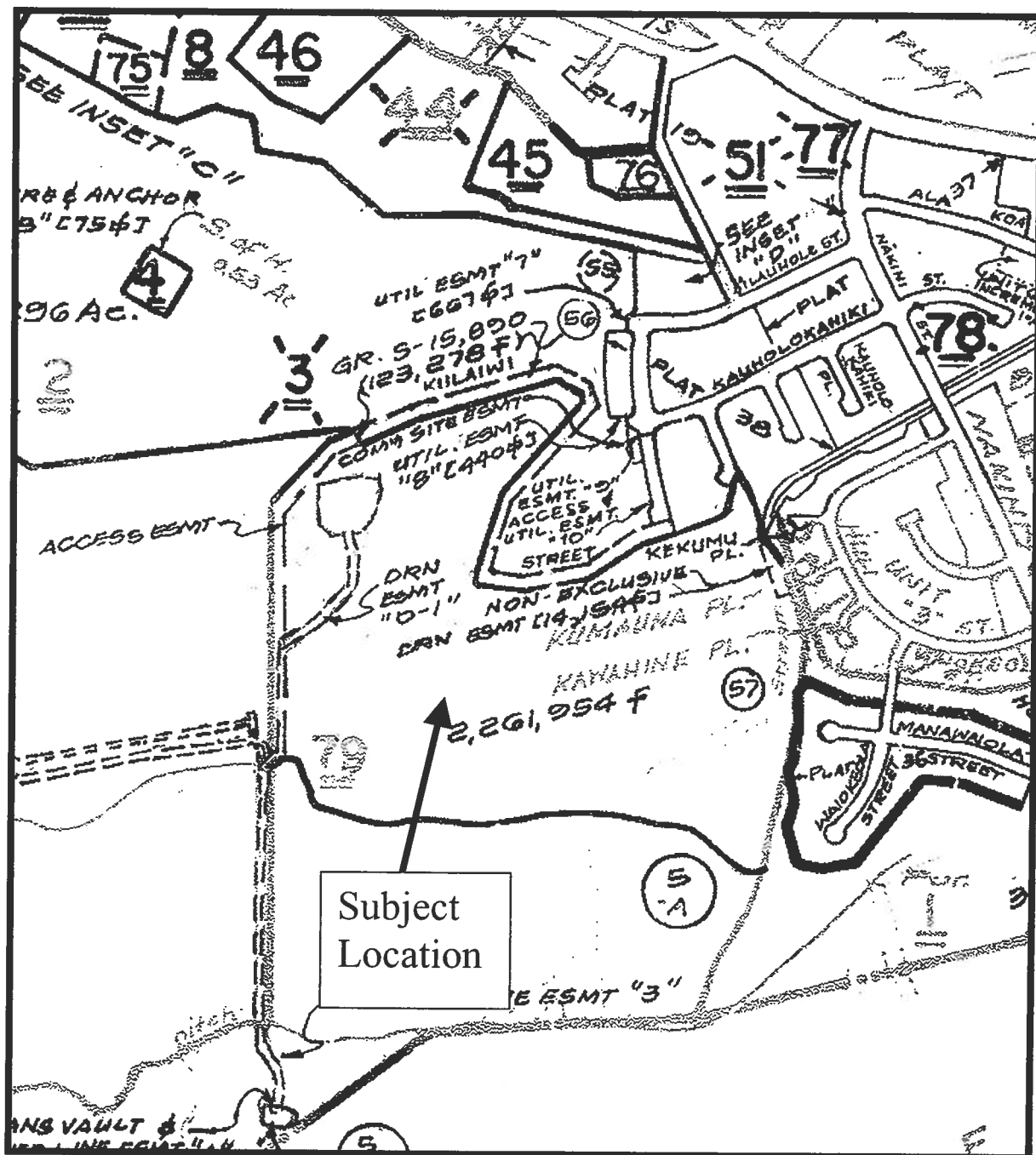
Respectfully Submitted,



Barry Cheung  
District Land Agent

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Laura H. Thielen, Chairperson 



August 30, 2010

Department of Land and Natural Resources  
Land Division  
Board of Land and Natural Resources  
P.O. Box 621  
Honolulu, HI 96809

RECEIVED  
LAND DIVISION  
2010 SEP -1 A 10:17  
DEPT. OF LAND &  
NATURAL RESOURCES  
STATE OF HAWAII

Dear Board of Directors,

I am writing to you to ask for an extension on our Notice of Default and to explain our current situation for General Lease No. S-5376, Shawn Kadooka and Dominic Kadooka, Lessees, Waimanalo, Koolaupoko, Oahu: Tax Map Key: (1)4-1-008:079.

Our season started out well with plantings going in this past January and ready to harvest in April. However, in April we had a herd of wild pigs come and ravage our crops. Not only did they eat the corn on the stalks but for the first time in the history of our 63 years of farming they dug up the seed and ate them. As of last week Thursday August 26, 2010 we have currently caught 61 pigs. We have lost over 20 acres since April. We have put up fencing that has helped slow them but they still get in by digging.

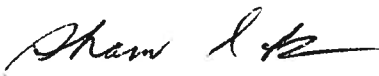
Then in May we were alerted by the Department of Agriculture that we were in phase I drought conditions, which means voluntary cut backs. Then a few weeks later were put on phase II, which means water Monday-Friday. Still a few weeks later we were put on Phase III which is Monday, Wednesday, Friday. If there is furlough on Fridays then we only get water on Monday and Wednesday. All farmers are in the same situation with us being the only exception because we are the only ones still on open ditch. What that means is that someone has to physically open the valve for us to get water and if the reservoir is low then gravity flow will yield us nothing. Which has been the case for a while now. To solve some of this problem, so that we can continue to farm, we are putting in drip irrigation. This is costly and we can only put in one field at a time since our entire farm is on an overhead sprinkler system. We have currently installed 10 fields and the harvest is starting to come in but the bills have also piled up.

I wrote a check in July for \$10,000 to cover our Dec-May payment however, it was returned for insufficient funds. We got a insurance payment from the Farm Service Agency and only after I sent the check out, did I find out that they over paid us because of a calculation error by one of their employees and they took back \$5400, which then caused my check to bounce. I could not re-send the check because I did not have the funds to cover it. Our crop is only starting to come in now.

I am writing to ask, beg you to please extend our notice of default until November 30, 2010 at which time we will be able to have harvested our crops and collected outstanding account receivables. Please know that these are circumstances beyond our control and we would not like to have to give up farming because of these unfortunate events.

Thank you for your time and consideration in this matter. If you have any questions please call me at 306-4381.

Sincerely,

  
Shawn C. Kadooka

**EXHIBIT "B"**